

New consumer directory

Office of Consumer Affairs (OCA) has published the 1975 edition of its *Directory of Federal, State, County & City Government Consumer Offices*.

The updated directory indicates that during 1974, 11 new state consumer offices were established. Also, 13 counties & 8 cities opened offices.

The 1975 *Directory* (Stock Number 017-000-00140-0) may be ordered from Government Printing Office, Washington, DC 20402; enclose 85¢ with order.

Foreign car?

If your summer plans include a trip abroad, you may be considering buying a foreign car to bring home. Before you go, you should read 2 publications that explain Federal regulations about such a purchase.

Buying a Car Overseas tells how to select a foreign car that has been manufactured in conformity with U.S. air pollution control standards, as required by the Clean Air Act. For a free copy, write to Public Information (PM 215), Environmental Protection Agency, Washington, DC 20460.

Importing a Car lists regulations on shipping arrangements, duty rates, excise taxes & license plates. Request a free copy from your regional office of U.S. Customs Service or write to U.S. Customs, P.O. Box 7118, Washington, DC 20044.

You may get interest

Are you watching the mail for a tax refund check?

According to Internal Revenue Service (IRS), you will receive interest on your refund if IRS mails your check later than 45 days after you file your tax return or 45 days after April 15, when tax was due—whichever date is later.

All late-payment refund checks will include interest computed at 6% if they arrive by the end of June. As of July 1, interest will go to 9%. If you receive late-payment interest, you must declare it as income on your 1975 tax return &, of course, must pay taxes on it.

Note that this refers only to refund checks for overpayment of taxes. No late-payment interest will be paid on tax rebates made under the Tax Reduction Act [CONSUMER NEWS, April 15].

consumer news

DEPARTMENT OF HEALTH, EDUCATION & WELFARE

Office of Consumer Affairs
Virginia H. Knauer, Director

Vol. 5, No. 10, May 15, 1975

New mandate for consumer protection

Following a directive from President Ford, the heads of Federal departments are now making plans to strengthen & enlarge their agencies' efforts on behalf of consumers.

President Ford stated in his letter to Congressional leaders:

"I recognize the legitimate public & Congressional concerns that departments & agencies be more responsive to the interests of consumers. This must be changed. Therefore, I am asking agency heads to examine the specific efforts they are making now to represent the consumer in their agencies' decisions & activities & to work with Virginia Knauer, my Special Assistant for Consumer Affairs, in instituting additional efforts which the agencies can undertake to better represent consumer interests."

The President added that agencies should follow this guideline: "All consumer interests should receive a fair chance to be heard in the Government decision making process."

In response to the President's directive, Virginia Knauer will work closely with each Executive Branch department & agency head to develop procedures & programs. Speaking at a recent cabinet meeting, Mrs. Knauer said:

"... it will be necessary for all of us to review our present programs & reorder our priorities to determine how best we can recognize consumer needs within the present operating framework of our respective departments & agencies."

Regulatory reform

President Ford has called for extensive regulatory reform—eliminating outmoded Federal regulations that restrict competition.

"Outdated regulatory practices lead to higher prices & reduced services," the President has stated. He has also said that "... some estimates place the combined cost to consumers of Government regulation & restrictive practices in the private sector at ... something on the order of \$2,000 per family."

To eliminate unnecessary Government regulation, the President: (1) requested that Congress enact proposed legislation reforming regulatory agencies; (2) directed that department & agency heads hold to a minimum the costs & administrative requirements that Federal rules & regulations impose on private industry; (3) requested that commissioners of the 10 regulatory agencies meet with him to discuss his proposals for reform.

At the same time, President Ford asked Congress to postpone action on pending legislation that would create a new Agency for Consumer Advocacy [CONSUMER NEWS, Oct. 1, 1974].

The President cited the need to hold down Federal costs & to limit the size of Federal agencies. He stated that improvement of present departments & agencies—rather than establishment of new ones—is the best way to protect the consumer.

Proposals to reorganize financial institutions

As part of his program to reform outdated or inefficient regulation by Federal agencies, President Ford has sent to Congress the Financial Institutions Act of 1975, a package of proposed legislation to restructure the financial industry & make it more competitive. If enacted, the proposed legislation would offer advantages to consumers by broadening the range of services financial institutions can offer & by making available a steady supply of mortgage funds. Under the Administration's proposals, personal banking services would be increased—thereby encouraging more competitive pricing & increasing the availability of "one-stop banking" for consumers.

These are some of the changes that would be made under the proposed legislation:

- All banks, savings & loan associations & mutual savings banks would be able to offer negotiable order of withdrawal—or NOW—accounts. These accounts allow the consumer to draw checks on his interest-bearing savings account. They are now available only in Massachusetts & New Hampshire [CONSUMER REGISTER, Feb. 1, 1974].
- All financial institutions would be able to increase their lending authority to make more consumer loans, real estate loans & construction loans.

• Federal ceilings on interest paid by banks, savings & loan associations & mutual savings banks would be eliminated 5½ years after enactment of the legislation. Goal is to increase competition among the financial institutions for the consumer's savings (presumably, competition would result in interest rates that more accurately reflect current economic conditions). However, proposed legislation provides that prior to removal of Federal interest rate ceilings, an examination of the nation's economic situation would be undertaken by **Treasury Dept.** so that the President & Congress could make any necessary changes in this provision.

• Safeguards would require financial institutions to give consumers complete information relating to Truth-in-Savings. This proposal would provide for full disclosure to consumers of earning rates, annual percentage rates of interest, charges against accounts & any restrictions that could reduce earnings. It would further require that these disclosures be made when an account is opened, as well as annually or when an earnings report is made.

• Corporations & individuals holding mortgages would be given a tax credit if they maintained at least 10% of their assets in residential mortgages. Purpose of the credit would be to increase the number of mortgage loans granted by financial institutions.

These general provisions of the proposed legislation would apply to commercial banks, mutual savings banks & savings & loan associations. Some provisions would also apply to credit unions. Other proposals are being made that would apply only to certain financial institutions. Chart below shows which specific consumer services could be offered by each institution under the President's proposals.

Consumer leaders—as well as officers of banks, credit unions & savings & loan associations—are being invited to a White House meeting on May 20 for a discussion of all aspects of the proposed Financial Institutions Act. **Office of Consumer Affairs (OCA) & Treasury Dept.** are sponsoring the meeting.

New lineup proposed for consumer banking services

If President Ford's proposed Financial Institutions Act becomes law, consumers would be offered these banking services by the various financial institutions:

Commercial Banks

NOW accounts
increased lending authority
corporate savings accounts
comprehensive disclosures under Truth-in-Savings

Savings & Loan Associations

NOW accounts
increased lending authority for consumer loans, real estate loans & construction loans
regular checking accounts
offer credit card accounts
comprehensive disclosures under Truth-in-Savings

Mutual Savings Banks

NOW accounts
increased lending authority for consumer loans, real estate loans & construction loans
regular checking accounts
offer credit card accounts
comprehensive disclosures under Truth-in-Savings

Credit Unions

provide mortgages to members
variable share certificates (similar to time savings accounts)
personal lines of credit to members
increased lending authority

Consumer advisors sworn in

When 5 new members of the Consumer Advisory Council (CAC) were sworn in on April 30, President Ford attended the ceremony—the first time a President has attended a CAC swearing-in since the council was established in 1962. The 12 CAC members, who serve for 2-year staggered terms, are Presidential appointees.

The President told council members & guests that there are "... 2 very critical areas where the consumer needs help: (1) prices & (2) quality . . ." & that he considers it "... very important, as we continue the efforts that have been made . . . to make sure . . . that the consumer is given the maximum protection by all agencies of the Federal Government."

CAC's responsibility is to advise the President—through Virginia Knauer, Special Assistant to the President for Consumer Affairs & Executive Secretary of CAC—on policy issues relating to consumer interests & to recommend ways for the Federal Government to meet consumer needs. The council's agenda for the coming year will focus particularly on problems of food supply, energy conservation, low-income consumers & older Americans.

In addition, CAC will work closely with Mrs. Knauer in implementing her new mandate to recommend procedures for opening up all departments of the Federal Government so as to be more responsive to consumers' needs.

The 5 new CAC appointees are:

Hon. Slade Gorton
Attorney General
State of Washington
Temple of Justice
Olympia, WA 98501
206-753-2550

Mrs. Elly M. Peterson
RFD 2—Box 137
Charlotte, MI 48813
517-543-4685

Dr. Hans B. Thorelli
Professor of Bus. Admin.
Graduate School of Business
Indiana University
Bloomington, IN 47401
812-327-8878

Mr. George E. Myers
Assistant Managing Director,
Washington Office
CUNA, Inc.
1730 Rhode Island Ave., NW
Washington, DC 20036
202-659-2360

Dr. Edward R. Willett
Professor of Finance
College of Business Admin.
Northeastern University
360 Huntington Ave.
Boston, MA 02115
617-437-3248

Also sworn in were 2 reappointees:

Dr. Stewart M. Lee (new chairman)
Chairman, Dept. of Economics
& Business Administration
Geneva College
Beaver Falls, PA 15010
412-846-5100

Dr. Jean Mayer
Professor, Dept. of Nutrition
Harvard School of Public Health
665 Huntington Ave.
Boston, MA 02115
617-734-3300 Ext. 601

The 5 current members, who will serve until January 1976, are:

Mr. Adolfo G. Alayon
Executive Director
Consumer Action Program
of Bedford-Stuyvesant
501 Marcy Ave.
Brooklyn, NY 11206
212-388-1601

Mrs. Camille A. Haney
Consumer Affairs Coordinator
Dept. of Justice, State Capitol
Madison, WI 53702
608-266-7340

Dr. Robert Lee Wright, Jr.
804 4th Ave.
Columbus, GA 31901
404-324-4847

Mrs. Edna DeCoursey Johnson
Director, Consumer Services
Baltimore Urban League
1150 Mondawmin Concourse
Baltimore, MD 21215
301-523-8150

Mrs. Linda Lee Graham
Room 115, Clinton Hall
Wichita State University
Wichita, KS 67208
316-689-3220

S-p-r-e-a-d-i-n-g the word

Persons thinking of entering the field of consumer affairs can find information on consumer degree programs & career opportunities in government & business in *Career & Educational Opportunities in the Consumer Field*.

The publication—based on a survey for Office of Consumer Affairs (OCA)—lists colleges & universities that offer degree programs in the consumer area as well as institutions that offer seminars & workshops on consumerism. It also indicates consumer-related career opportunities in government & business.

Copies of the survey cost \$1.75 each. Send check or money order to Dr. John R. Burton, Consumer Career Research Project, Manchester Community College, Manchester, CT 06040.

Seminars in consumer affairs will be held under the sponsorship of Conference of Consumer Organizations in cooperation with the Institute for Community Services at Edinboro State College (Edinboro, PA) & the Community Services Center at University of Arizona Continuing Education Division (Tucson, AR).

Four seminars will be offered during June by Edinboro State College in the following topics: consumer protection, consumer representation, utilities & energy policy, price-fixing & antitrust. The 4-day sessions will meet at Riverside Inn, Cambridge Springs, PA.

During July & August, University of Arizona will offer 4-day sessions in consumer protection, consumer representation, food marketing & health care. Meetings will be at Asilomar Conference Center, Pacific Grove, CA.

The seminars are planned for consumer affairs representatives in government, industry & consumer organizations. Registration fee is \$60 per person for Conference of Consumer Organizations members, \$90 for nonmembers. Hotel rates range from \$66 to \$75 per person.

Registration for the Pennsylvania seminars closes May 20; closing date for California sessions is June 10. For details, write to Community Services, UA, 522 Tucson Blvd., Tucson, AZ 85716 or call Dr. Currin V. Shields, 602-884-2945.

Recall

• COLOR TELEVISION—Food & Drug Administration (FDA) announces that Sharp Electronics Corp. will correct—at no cost to consumers—its Model C-1541 color television set, which FDA has found to be capable of emitting X-rays in excess of maximum limits allowed by Federal standards. FDA estimates about 2,000 sets are in consumers' homes.

WHAT TO DO: Watch for letter from company describing plan for correcting set. Until correction is made, view set from distance of at least 6 feet (1 1/4 meters) or stop using it. If you think that company may not receive your present address from dealer—because you have moved or you received set as gift—write directly to Sharp Electronics, 10 Keystone Place, Paramus, NJ 07652, or call 201-265-5600.

• CARS—American Motors announces recall of 13,676 1975 Pacers for repairs on fuel lines. All owners are being notified by American Motors that fuel lines may be incorrectly routed, causing hose to fuel pump to rub on cross-member. This could result in loss of fuel supply &/or fuel leakage that could cause fires.

WHAT TO DO: (1) Contact dealer immediately to make appointment for free inspection & repair. (2) Until repair is made, keep level of fuel in tank less than half full.

More on ▶ ▶ ▶ Cyclamates

Food & Drug Administration (FDA) has asked National Cancer Institute to appoint an advisory committee of tumor experts to review all scientific studies now available to find out if cyclamates (artificial sweeteners) actually cause cancer. A public hearing will be held later.

FDA banned cyclamates late in 1969 after a study showed that animals fed the sugar substitutes developed bladder tumors. Since then, Abbott Laboratories, which makes cyclamates, asked FDA to reapprove their product because of recent studies showing these sweeteners are not cancer-causing [CONSUMER NEWS: March 1, 1974; Dec. 1, 1974]. FDA says that a large number of tumor experts, including World Health Organization/Food & Agriculture Agency, have apparently concluded that the 1969 ban was wrong. However, other scientists continue to believe that the 1969 study cannot be ignored. That is why FDA wants National Cancer Institute, which participated in the 1969 decision, to make recommendations as to whether cyclamates may again be used.

Even if the study shows that cyclamates are safe as far as cancer is concerned, other questions must be settled before the sweeteners would be allowed back on the market. Some studies indicate that a by-product of cyclamates may cause testicles to shrink in rats; other studies question the effect of cyclamates on high blood pressure.

Therefore, saccharin remains the only artificial sweetener presently available—on a limited basis—to diabetics & others who must restrict sugar consumption. National Academy of Sciences-National Research Council (NAS-NRC) is still conducting studies on animals to determine the safety of saccharin. A recent British study of thousands of diabetics who have taken saccharin for years showed no detectable correlation between saccharin consumption & cancer.

Another substitute, aspartame, made by G. D. Searle & Co., can now be sold even though FDA has received several objections to its approval—some objections on safety grounds. Searle has volunteered not to sell aspartame until FDA holds a public hearing on the matter.

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